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SENATE BILL 2927

By Trail

AN ACT to amend Tennessee Code Annotated, Title 48, Chapter 101, Part 6 and Title 48, Chapter 248, relative to professional corporations and professional limited liability companies formed by health care providers licensed under Title 63.

WHEREAS, health care providers from different professions are increasingly joining together to provide services to their patients in a more efficient and effective manner; and

WHEREAS, health care providers desire to form appropriate legal entities to allow them to provide services in this manner; and

WHEREAS, the current statutes governing professional corporations and professional limited liability companies do not expressly allow health care providers from more than one (1) profession to form such legal entities; and

WHEREAS, a change in these statutes would allow ophthalmologists and optometrists, orthopedists and podiatrists, physicians and physician assistants, and other health care providers to be co-investors in a professional corporation or professional limited liability company; now, therefore,

BE ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 48, Chapter 101, Part 6, is amended by adding the following language as a new section in that part:

Section 48-101-636. Notwithstanding the provisions of § 48-101-610, any health care providers licensed pursuant to any chapter of title 63 shall be considered qualified persons eligible to purchase shares in a professional corporation formed under this part. Such a professional corporation may include shareholders from more than one (1) health care profession and may render more than one (1) professional service, so long as each professional service to be rendered by that professional corporation is set forth in the charter.

SECTION 2. Tennessee Code Annotated, Title 48, Chapter 248, Part 4, is amended by adding the following language as a new section in that part:

Section 48-248-410. Notwithstanding the provisions of § 48-248-401, any health care providers licensed pursuant to any chapter of title 63 shall be considered qualified persons eligible to be members of a professional limited liability company formed under this chapter. Such a professional limited liability company may include members from more than one (1) health care profession and may render more than one (1) professional service, so long as each professional service to be rendered by that professional limited liability company is set forth in its articles of organization.

SECTION 3. This act shall take effect July 1, 2002, the public welfare requiring it.